

# DEPARTMENT OF PUBLIC WORKS ASSESSMENT



**VAL WORMELL – SELECTMAN  
MARK KOST – FINANCE, CAPITAL  
COMMITTEE**

**MARCH 4, 2010**

# THANK YOU!



- A significant number of people contributed greatly to the process and the information within this presentation, including;
    - ✦ Boards, Committees and Commissions
    - ✦ Departments Heads and their staffs
    - ✦ John Mangiaratti
    - ✦ Ad-hoc DPW Committee;
      - Bob Price
      - Arthur Benoit
      - George Murray
      - George Rogers
      - Bob Carter
      - Kelly Ross
- Hugh Maguire

John Cunningham

Judy Culver

Bill Brennan

Rose O'Donnell

Chip Barrett

# AGENDA



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# EXECUTIVE SUMMARY



- This proposal does not include a recommendation to form a “department of public works” at this time
- Recommendations result in an evolutionary approach to improve the efficiencies of certain Town operational activities over several years
- Benefits can be derived for the upcoming fiscal year, if approved
- There are many great things happening in Town today within operations...this proposal is meant to enhance those areas

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# BACKGROUND



- November 5, 2009 – BOS/FinCom receive message from State officials that state aid for upcoming fiscal year could be less than presumed in financial models
- Motion approved to incorporate “DPW-like” savings into the 2011 fiscal year
- Val Wormell and Mark Kost asked to lead assessment
- December 3, 2009 – 8 step plan to accomplish assessment prior to March ATM presented. Plan approved

# 8 STEP PLAN - TIMELINE



	DECEMBER '09	JANUARY '10	FEBRUARY '10	MARCH '10
1) Create Vision/Mission	x			
2) Meet w/ Boards,Cmtees,Depts.	x			
3) Document & Post Mtg. Notes	x			
4) Interim Policy Develop		x		
5) Adjust as Necessary		x		
6) Business Case			x	
7) Integration Plan			x	
8) Present Back to All				x
ATM				x

# BACKGROUND, con't.



**1) December, 2009 – Vision and Mission statements developed in working sessions with ad-hoc DPW volunteer committee. Both remain relevant in whatever form Town operations take;**

## **Vision;**

Westford prides itself in its ability to provide superior community services to its residents. In order to continue public services far into the future in an ever-changing fiscal environment, Westford recognizes the requirement to improve efficiencies and economies.

Westford will provide the highest quality and responsive, municipal level of service in the most cost efficient and effective manner taking advantage of economies of scale across its infrastructure through proper utilization of assets, procurement, maintenance, application of new technologies and personnel.

## **Mission;**

Westford's departments are dedicated to delivering high quality operational services in a responsive and cost efficient manner in support of the Town's residents, boards, committees and commissions through a workforce that is highly motivated and empowered in ensuring the safety and effectiveness of all its infrastructure and assets.



# BACKGROUND, con't.



## 2) 3) December, 2009 – early January, 2010;

- ✦ Meetings completed with 18 of 21 committees, commissions and boards, along with 6 departments to better understand issues and concerns associated with prior DPW-like proposals, as well as to understand opportunities that have not been evaluated
- ✦ Documentation of all feedback completed, provided back to all who participated and posted on town website. General agreement on the following;
  - The proposal at Fall '09 Town Meeting did not sufficiently define the problem
  - The proposal lacked vision
  - The planning process lacked transparency and was not inclusive
  - Specific cost savings and how they were to be achieved were not presented
  - A business plan supporting the investment was not prepared
  - Organizational restructuring did not resolve issues of authority, responsibility and priority setting
  - Schools supported the idea of a DPW but not having them included in the initial phases is not the best way forward

# BACKGROUND, con't.



## 4) 5) Mid-late January, 2010;

- Developed interim policies to be used in whatever way the town chooses to move forward with efficiency efforts
- Policies are as follows (see handouts for details);
  - ✦ **Policy 1. Service Level and Cost Benefit**
  - ✦ **Policy 2. Comparisons**
  - ✦ **Policy 3. Resource Sharing**
  - ✦ **Policy 4. Organizational Continuity**
  - ✦ **Policy 5. Priorities**
  - ✦ **Policy 6. Maintenance Standards**
  - ✦ **Policy 7. Performance Standards**
  - ✦ **Policy 8. Personnel**

# BACKGROUND, con't.



**6) February, 2010 – Business facts pulled together which identifies areas of opportunity and prioritizes those opportunities based upon past Town meeting votes, ease of implementation and available resources**

- ✦ Details follow later in presentation

**7) Integration plan developed with necessary details, timelines, accountabilities and resources required**

- ✦ Details follow later in presentation

# BACKGROUND, con't.



8) March, 2010 – Presented plan to all town departments, committees, commissions and Boards to gain consensus

- ✦ X of x committees, commissions and boards are in agreement with plan
- ✦ X of x departments are in agreement with plan

**WE WILL BE ASKING FOR COMMITTEE, COMMISSION AND BOARD BUY-IN OR NOT OF THE PLAN AT THE END OF THE PRESENTATION.**

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# KEY FINDINGS – PREVIOUS CONSOLIDATION SUCCESSES (examples)



- **Information Technology;**
  - In 2006, IT brought together across all town departments and schools
    - Results;
      - 4.5% (\$32k) reduction from consolidation
      - Budget increases each year below 2%/year
      - Reductions in capital requirements through sharing and innovation
  
- **Health Insurance for Town and School Employees;**
  - In 1999, health insurance for 1,200 employees and retirees was consolidated
    - Results;
      - Immediate \$1mm/year reduction
      - Annual bid process yields reductions in increases from 17% to 8% over time
  
- **Utility Contracts;**
  - Consolidated electric bid in 2005;
    - Results;
      - Reduced cost initially by \$100k
      - Rebid in 2009, further reduced annual costs by \$26k/year
  
- **Regionalization;**
  - Affordable Housing and ZBA Assistance
  - GIS Flyover
  - Schools purchasing through Merrimack Collaborative
  - Library purchasing and services through the MRLS (state) and MVLC (valley)

# KEY FINDINGS –DONE WELL TODAY

## (examples)



- **Resource sharing across certain departments;**
  - Examples – Highway, Cemetery, Grounds and Water share equipment; School's tradesmen support town facilities when possible
- **Vehicle/equipment maintenance costs kept low due to utilization of in-department personnel who perform role “on the side”**
  - Examples – Police and Fire
- **Quality and quantity of water supply**
- **Snow/ice removal**
- **Maintenance of town-owned ball fields**
- **Safety of school facilities**

# KEY FINDINGS - OPPORTUNITIES



- ✓ Trade skills exist in various departments that could be better leveraged
- ✓ Town and Schools lack formal preventive maintenance procedures across their facilities
- ✓ 2,000+ acres of conservation land not adequately maintained and other grounds' areas lack consistency
- ✓ Town and School do not leverage their combined scale in the procurement of goods and services
- ✓ Town's Energy Committee and their identified opportunities not fully leveraged
- ✓ Capital priorities for Town not well coordinated with Planning Board's mitigation process nor CPA fund allocation. Engineering resources could be better balanced with these needs
- ✓ Centralized 311-type system would help to streamline communication and customer service
- ✓ Analysis of other towns both with and without DPWs shows mixed results



# OPPORTUNITIES-DEPT. TRADE SKILLS



- Various Town departments and schools have skilled tradesmen that are sometimes shared today, but could be better leveraged in the future
- Using in-house trades can help reduce costs associated with paying “prevailing wage”
  - Examples;
    - ✦ Electrician = \$66.03/hour prevailing wage=> *\$135k FT equivalent*
    - ✦ Painter = \$50.97/hour prevailing wage=> *\$106k FT equivalent*
    - ✦ Plumber = \$67.50/hour prevailing wage=> *\$140k FT equivalent*
- “Smaller” building owners do not get same attention for sharing as larger owners
  - Historical Commission, Forge and Graniteville Fire Stations

# OPPORTUNITIES-PREVENTIVE MTCE.



- Numerous examples where lack of defined and consistent PM standards result in either emergency use of funds or other related issues;
  - Nab school roof replacement
  - Boiler failures at several schools
  - Waste Water treatment plants in schools
- Little to no PM on some facilities in areas such as HVAC, electrical, generators, etc
- What gets prioritized within each building is left up to building “owner”
- No consistent standards for worker safety which could lead to lower insurance costs
- Significant future capital costs may be deferred if PM processes were in place in the near future

# OPPORTUNITIES-GROUNDS



- 120 acres of parks and grounds (including cemeteries) under management now by Town department, but does not include conservation land (2,000+ acres)
  - School properties primarily maintained by school staff
  - Conservation land help obtained from Parks & Grounds and Highway dept. as time allows
- Performance standards should be set across all properties with grounds...variable today
- Equipment sharing does take place, but lack of formal inventory across the town and incomplete leveraging of all equipment exists

# OPPORTUNITIES-PROCUREMENT SCALE



- Consolidated buys for like products and services across ALL entities does not take place on a regular basis, thereby not utilizing scale of TOTAL town
- Considerable amount of time taken up by department heads to pull together elements of RFP's, including vendor selection, RFP prep., RFP analysis, resulting in them being taken away from their primary responsibilities during various hours each week
- Payment terms are not negotiated to; lengthen payments out (keeps money in bank longer to earn interest), determine if % discount if paid early is viable, etc.
- Thorough vendor identification not always completed which could lead to benefits vs. state bid list
- Investigation into regional options not fully leveraged
- If outside service repairs to facilities and equipment are necessary, limited use of blanket agreements with pre-negotiated rates and service levels

# OPPORTUNITIES-ENERGY COMMITTEE



- Diffused ownership of facilities makes implementing/discussing energy opportunities difficult for volunteer Board
  - Identified opportunities = \$500k+
- Energy audits not regularly conducted on town facilities
- Committee ideas not always taken into account during planning for refurbishment, renovation or equipment purchase
- Certain equipment already in place to make energy more efficient not being fully utilized
- Significant opportunities identified but lack “owner”

# OPPORTUNITIES-INFRASTRUCTURE CAPITAL



- According to latest 5 year capital assessment completed by department heads, over \$33 million of capital has been requested
  - ✦ Capital Committee has “recommended” over \$14 million, well above the \$7.5mm in Town’s financial model over 5 years
  - ✦ Over \$10mm of recommendation for infrastructure related to Highway department (roads, bridges, etc) and schools
- Mitigation funds from Planning Board and CPA funds not coordinated with prioritized needs as reviewed by Capital Committee
- Lack of preventive maintenance procedures leads to higher near-term capital requirements
- Environmental resources in Water Department could be leveraged to reduce costs and improve efficiency of waste water treatment facilities in schools
- Town has spent considerable money over past few years using 3<sup>rd</sup> party engineering resources
  - ✦ Examples include;
    - Abbot oil spill

# OPPORTUNITIES-TOWN COMPARISON FACTS



- **Facts regarding comparisons;**
  - Per capita spending is a reflection of service level
  - DOR data includes; highways/streets snow and ice, highways/streets maintenance, waste collection and disposal, sewerage collection and disposal, water distribution, parking garage, street lighting and “other”
    - ✦ “other” can include storm-water management, environmental services, land management, buildings and grounds maintenance
  - Data can be manipulated, for example;
    - ✦ Westford per capita spending on public works is \$227.82
    - ✦ Eliminate solid waste cost and Westford’s average is \$168.70
    - ✦ Eliminate water treatment and Westford’s average is \$113.78
  - Westford is slightly above average in per capita spending compared to comparable towns when attempting to factor out like-for-like services
  - Spending patterns in towns where DPW was implemented vary from dramatic reductions to slight increases

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# RECOMMENDATIONS-STRATEGY



The changes to Town operations as a result of this effort should be done in an evolutionary manner, allowing for early “traction” to be gained, trust earned and further assessment to be done in areas that are not yet finalized, while at the same time ensuring the capture of some savings into Fiscal '11 through the integration of certain activities that do not require significant investment and for which existing resources can be leveraged to produce even greater results.

# RECOMMENDATIONS - NOTES



- Plan is consistent with ATM statement that where relevant, actions would be accomplished through attrition. This has the effect of evolving more slowly, but does create a better sense of trust
- This plan is more a series of recommendations for improving the efficiency of Town operations rather than a plan to improve just “public works”

# RECOMMENDATIONS



- 1) Consolidate the procurement of all services, supplies and capital (including schools) under one person, whose position shall not be incremental to the town's headcount

*Procurement will be a service-based resource who will complete RFP's on behalf of town and school entities, consolidate vendors, ensure reliable vendor service, evaluate bids and seek lowest cost/highest quality products and services*

# PROCUREMENT DETAILS-SIZE OF PRIZE

## fiscal '09 spending excluding capital opportunities



\$ 000's	TOWN	SCHOOLS	TOTAL
<i>Procurement related;</i>			
Bldg/grounds maint. & supplies	257	711	968
Utilities	1,106	1,761	2,867
Contracted Services	603	88	691
Equipment Mtce	305	87	392
Vehicle Mtce and supplies	99	52	151
PublicWorks related supplies/svcs	310		310
Technology and Communication	510	162	672
Legal Services	151	57	208
Office Supp, Books, Ed Materials	266	808	1,074
Postage	63	49	112
Printing	44	32	76
Engineering Services	36		36
Road Maintenance	72		72
Office Eqpt. Leases	12	107	119
Financial Services	33	11	44
SUB-TOTAL	3,867	3,925	7,792

# PROCUREMENT-SPECIFICS



- **Detailed reviews of spending revealed the following;**
  - Vehicles; Parts-7 vendors, tires-5 vendors, auto/body-3 vendors, repairs-14 vendors
  - Office Supplies-8 vendors
  - Elevator Maintenance-3 vendors
  - Building Security Maintenance-6 vendors
  - HVAC-7 vendors
  - Electric Contractors-4 vendors
  - Electric Suppliers-5 vendors

# PROCUREMENT SPECIFICS



- **Goals 2011;**

- Ensure \$50k in savings from “low hanging fruit” categories through vendor consolidations
- Secure blanket service agreements for those areas that would benefit most
- Include Town in Merrimack Collaborative with schools
- Begin taking procurement related activity away from departments to allow them more time to properly serve their areas of expertise
- Investigate replacement of manual triplicate requisition process with available Munis technology

- **Goals 2012;**

- Ensure additional \$50-\$75k in savings from categories through better leveraging of scale, seeking alternate suppliers/vendors
- Begin to understand payment terms opportunities
- Continue activities begun in 2011

# RECOMMENDATIONS



## 2) More engineering resources should be dedicated to meeting Town infrastructure needs

- Reduces the need for outside support services
- Reduces short and long term capital expenditures
- Examples;
  - 5 year capital requests for public works-related projects across Town departments requiring engineering total \$3.5mm
  - Engineering costs for projects total \$427k
  - Costs to be avoided could range from \$21k to \$60k per year

# ENGINEERING – SPECIFICS



- Evaluate reporting structure and principle responsibilities of Engineering department and Land Use Director
- Amend job description(s) where appropriate
- Align engineering priorities to favor Town projects
- Take a more active role in preparation of the 5 year capital plan for Town highways, bridges, street drainage, sewers and dams
- Assess need for additional staff in Engineering or Planning



# RECOMMENDATIONS



## 3) Consolidate oversight of building maintenance and grounds across all town and school properties

- Does not include custodial activities at this time
- Better leverages existing resources and trade skills for buildings and properties
- Allows for single point of contact for Energy Committee and others
- Preventive Maintenance standards to be developed, costs to be determined and recommendations made to building “owners”
- Provides opportunity to ensure that town-wide facilities are maintained in a consistent manner
- Work prioritization to be agreed upon by committee of building “owners”
- Service-level agreements to be put in place so that all are clear as to expectations

# BUILDING AND GROUNDS-SPECIFICS



- Investigate and invest in equipment scheduling tool
- Track equipment use/repair/rental costs
- Establish buildings and grounds maintenance standards
- Establish system of internal service priorities
- Begin to develop a Preventive Maintenance program
- Thoroughly assess staffing levels by conducting a Wage and Classification study

*This may lead to higher short-term costs but long-term, costs (both true savings and capital avoidance) and benefits to town assets are likely to be improved. Thorough evaluation and business case needs to be completed*

# RECOMMENDATIONS



## 4) Investigate the potential to consolidate environmental and storm water management

- Current system is fragmented with no general oversight
- Environmental “disasters” have cost millions, such as oil spill, perchlorate
- Schools waste water treatment budget is \$143,000 in FY ‘11
- Preventive maintenance on waste water treatment systems sometimes deferred
- Examples;
  - potential savings to schools of \$68K per year if school waste water treatment systems combined with Water Department
  - potential savings to schools of \$37K per year for new hire

# ENVIRONMENTAL AND STORM WATER MGT. - SPECIFICS



- Investigate the number of weekly, monthly and yearly environmental compliance forms filed and by whom
- Investigate and report the cost of outside consultants
- Determine best organizational fit for overseeing Town compliance
  - Environmental Services division of Health Department
  - Water Department
  - Engineering Department
- Assess need for additional full or part time staff and perform cost/benefit analysis of outsourcing
- With dedicated staff resource, turn over management of School waste water treatment plants

# RECOMMENDATIONS



## 5) Enhance service delivery via a 311-type system to streamline communication, increase customer service and improve efficiencies;

- Reduce burden placed on emergency dispatchers who are responsible for handling non-emergency calls (has led to the need to add 2 additional dispatchers)
- Establish a central point for all phone calls that will eliminate the practice of callers being forwarded all over town
- Directing all phone calls to central location could result in improved productivity in individual departments
- A well structured system will help track volume of calls to help determine the demand for the allocation of resources at particular times
- Work scheduling, customer complaint tracking, and other services can all be incorporated into this effort
- Ensure that the town website provides clear answers to commonly asked questions to help shift more of the customer service assistance responsibility away from phone calls

# ENHANCE SERVICE DELIVERY-SPECIFICS



- Need to identify types of calls being received by all departments (including 911), how often calls are forwarded elsewhere and how much time is spent dealing with calls
- Evaluate benefit of combining customer service calls for like departments as a first step towards town-wide service
- Create and maintain a FAQ page on the website
- Determine if a centralized process for schools only is worthwhile

# RECOMMENDATIONS - SUMMARY



## Opportunity Identified

RECCOM.	Better leverage of trade skills	Lack of P.M. Process	Grounds Opps.	Not leveraging scale of town	Energy Comtee not fully leveraged	Infrastruct Capital	Other towns with DPW	Commun & Cust Svce
Consolidate Procurement		X		X	X	X		X
Consolidate Buildings and Grounds (non-custodial)	X	X	X	X	X	X	X	X
Engineering balance with Town infrastructure req'ts.	X			X		X	X	
Consolidate Environ. Management	X	X		X		X		
Enhance service delivery			X	X			X	X

# DRAFT TIMELINE OF RECOMMENDED ACTIONS



CATEGORY	2011	2012	2013	2014
Procurement	<ul style="list-style-type: none"> <li>-Consolidate services and all supplies orders</li> <li>-Simplify requisition process</li> <li>-Evaluate blanket service agreements</li> </ul>	<ul style="list-style-type: none"> <li>-Consolidate equipment orders</li> <li>-Investigate payment term options</li> </ul>		
Track & perform cost benefit analyses	<ul style="list-style-type: none"> <li>-Vehicle mtce., eqpt., use/repair/rental</li> <li>-Snow/ice budget</li> <li>-Other</li> </ul>	<ul style="list-style-type: none"> <li>-2011 savings from procurement subtracted from 2012 budgets</li> <li>-Continue tracking</li> </ul>	-Cost/benefit on fleet mtce. and custodial services	-Cost/benefit on Town bldg. mtce (contracted vs. in house)
Responsiveness		<ul style="list-style-type: none"> <li>-Integrate road acceptance plan into budget</li> </ul>	Implement 311-type system	
Asset Utilization	<ul style="list-style-type: none"> <li>-Implement asset scheduling tool</li> <li>-Integrate Energy Cmtee. with Town cmtees. And depts.</li> </ul>	<ul style="list-style-type: none"> <li>-Assess staffing needs</li> <li>-Develop plan to adjust job descriptions</li> <li>-Needs, wage and classification study</li> </ul>	<ul style="list-style-type: none"> <li>-Assess admin staff needs, training</li> </ul>	-Develop best practice for using internal tradesmen
Maintenance	<ul style="list-style-type: none"> <li>-Establish min performance stds</li> <li>Establish mtce. standards</li> </ul>	<ul style="list-style-type: none"> <li>-Establish internal service priorities</li> <li>-begin to implement PM based upon priorities</li> </ul>	<ul style="list-style-type: none"> <li>-Combine school and town grounds mtce</li> </ul>	-Combine town and school bldg mtce depts
Technology	<ul style="list-style-type: none"> <li>-Investigate asset scheduling tool</li> </ul>	<ul style="list-style-type: none"> <li>-Investigate 311-type system</li> </ul>	Investigate automated PM tool	
Personnel	<ul style="list-style-type: none"> <li>-Fill procurement position internally</li> <li>-Review Engineering, TM and Land Use resp</li> </ul>	<ul style="list-style-type: none"> <li>-Clarify Engineering, Land Use and TM role</li> <li>-Assess engineering, environ service and planning needs</li> </ul>	<ul style="list-style-type: none"> <li>-Fill Facilities oversight position internally</li> <li>-Combine facilities with Energy Cmtee</li> </ul>	-Assess need for Public Works Director



# IMPACT SUMMARY



- **Procurement;**

- ✦ Additional compensation costs = \$(10k)-\$(20k)
- ✦ Savings expected from consolidation = \$40k-\$50k
  - Net Cash Benefit in 2011 = \$20k-\$40k

Savings of additional \$40k-\$50k expected in years 2012 and 2013. Avoidance of future cost increases should occur in 2014 and beyond

- **Buildings and Grounds;**

- ✦ Expect increased operating expense costs in 2012 from initiating PM
- ✦ Expect to begin to see partial offsets to PM via reduced dependency on 3<sup>rd</sup> party services and lower utilization of prevailing wage in 2013

- **Engineering;**

- ✦ Positive net financial impact likely in 2012 and beyond

- **Environmental;**

- ✦ Positive in 2012 or 2013

- **Enhance Service Delivery;**

- ✦ Positive in 2013 or 2014

# NOT RECOMMENDING AT THIS TIME



- **Fleet Maintenance;**
  - Can not economically substantiate
- **Custodial Consolidation;**
  - Town custodial staff is very small – 3.98 FTE
  - Highway, Water and Fire do not have custodial staff
  - School custodians have a greater role
- **Creation of Separate DPW Department**
  - At this time, greater opportunities with prior recommendations but future is unknown



# THE END

For more information, go to;  
[www.westfordma.gov/dpw](http://www.westfordma.gov/dpw)